Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

UNCLASSIFIED

11
ACTION EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 COME-00 CIAE-00 INR-07

NSAE-00 TRSE-00 OMB-01 /037 W
---------- 107274
R 031253Z DEC 76
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 7613
INFO AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY ROME
AMEMBASSY TOKYO

UNCLAS SECTION 01 OF 02 PARIS 35772

E.O. 11652: N/A
TAGS: EIND, EWWT, JA, FR
SUBJECT: SHIPBUILDING INDUSTRY IN WESTERN EUROPE AND JAPAN (C-ER-6-50564)

REF: (A) STATE TELEGRAM FROM ROME 15433, SEPT. 21, 1976; (B) STATE TELEGRAM FROM BRUSSELS, 9187, SEPT. 20, 1976; (C) BRUSSELS 10509, OCT. 26, 1976; (D) STATE A-5436.

1. EMBASSY CONTACTED MEMBER OF THE CHAMBRE SYNDICALE DES CONSTRUCTEURS DE NAVIRES ET DE MACHINES MARINES, 47 RUE DE MONCEAU, 75008 PARIS, WHO ATTENDED MEETING IN ROME AND PROVIDED FOLLOWING ANSWERS TO QUESTIONS POSED REFTEL (D).

2. ACCORDING TO EMBASSY CONTACT, BASIC DOCUMENT FOR ROME MEETING WAS AN OFFICIAL REPORT PUBLISHED BY SHIPPING & SHIPBUILDING COUNCIL OF JAPANESE MINISTRY OF TRANSPORTATION. FOLLOWING ARE 3 MAIN POINTS COVERED IN THIS DOCUMENT:
A) JAPANESE EXPERTS THINK THAT WORLD DEMAND FOR SHIPS IN 1980 WILL BE BETWEEN 10 TO 12 MILLION TONNER (IN 1975, DEMAND WAS 34 MILLION TONNER)
UNCLASSIFIED

UNCLASSIFIED

B) JAPANESE INTEND TO LIMIT THEIR PRODUCTION CAPACITY

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

TO 50 PERCENT OF WORLD PRODUCTION - I.E. 6 MILLION
TONNER IN 1980 IF DEMAND IS 12 MILLION.
C) THIS REDUCTION WOULD RESULT IN A 35 PERCENT DROP
IN WORKING HOURS OF EMPLOYEES IN JAPANESE SHIPYARDS IN
1980 AS COMPARED TO 1975.

3. AWES PROPOSAL IS AS FOLLOWS: FOR 1975, AWES BELIEVES
PRODUCTION FIGURES WERE ROUGHLY:
- JAPAN : 40 PERCENT OF WORLD PRODUCTION
- WEST EUROPE : 40 PERCENT OF WORLD PRODUCTION
- OTHER COUNTRIES : 20 PERCENT OF WORLD PRODUCTION
(MAINLY CANADA, U.S., AUSTRALIA, AND BRAZIL)
AWES PROJECTS THAT WORLD DEMAND IN 1980 WILL BE AROUND
11 MILLION TONNER. IF SAJ WANTS TO PRODUCE 6 MILLION
TONNER AND OTHER COUNTRIES PRODUCE 5 MILLION TONNER, THIS
MEANS THAT FIGURE FOR WESTERN EUROPE WILL BE ZERO. OUR
CONTACT CLAIMS THAT OTHER COUNTRIES HAVE VERY
PROTECTIONIST ATTITUDE AND WILL NOT REDUCE THEIR
PRODUCTION; THESE COUNTRIES WILL WANT AT A MINIMUM TO
KEEP THEIR SHARE OF THE WORLD MARKET IN 1975. AWES
PROPOSES TO DIVIDE BY 3 THE 11 MILLION TONNER IT
PROJECTS FOR 1980:
- SAJ -- 1/3
- AWES -- 1/3
- OTHER COUNTRIES -- 1/3
AWES AND EUROPEAN GOVERNMENTS WANT TO INSTITUTE CONTROLS
AT THE LEVEL OF ORDERS.

4. SAJ REFUSED THE AWES PROPOSITION. ACCORDING TO OUR
CONTACT, SAJ ALSO REFUSED TO INCREASE THEIR PRICES.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 PARIS 35772 02 OF 02 031158Z

11
ACTION EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 COME-00 CIAE-00 INR-07

NSAE-00 TRSE-00 OMB-01 /037 W
---------- 107363
R 031253Z DEC 76
FM AMEMBASSY PARIS

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

TO SECSTATE WASHDC 7614
INFO AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY ROME
AMEMBASSY TOKYO

UNCLAS SECTION 02 OF 02 PARIS 35772

JAPANESE MEMBERS OF SAJ (7 LARGE AND 17 MEDIUM LARGE SIZE SHIPBUILDERS) BELIEVE THAT THEY MUST NOW COMPETE VIGOROUSLY WITH MIDDLE SIZE JAPANESE SHIPYARDS (SOME 100 FIRMS) WHICH ARE NOT MEMBERS OF SAJ.
SAJ IS CONCERNED BECAUSE THESE MIDDLE-SIZE FIRMS ARE SELLING THEIR PRODUCTION ON THE JAPANESE MARKET AT VERY COMPETITIVE PRICES AND ARE BEGINNING TO EXPORT. ON THE OTHER HAND, AWES BELIEVES THAT DUE TO LOWER PRICES, SAJ MEMBER SHIPYARDS WERE ABLE TO TAKE OVER 85 PERCENT OF THE INTERNATIONAL ORDERS IN 1976 PLACED BY OECD COUNTRIES, EXCLUDING THE U.S., CANADA, AND AUSTRALIA.

5. ACCORDING TO OUR CONTACT, SOME PROBLEMS STILL EXIST WITH SPANISH AND SWEDISH SHIPBUILDERS. HOWEVER, AWES MEMBERS WANT TO REMAIN UNITED IN ORDER TO FACE JAPANESE COMPETITION AND COOPERATION BETWEEN AWES MEMBERS IS MUCH MORE FORTHCOMING THAN 3 YEARS AGO.

6. SINCE SAJ HAS REFUSED THE AWES PROPOSAL AND AWES THE SAJ PROPOSAL, AWES MEMBERS HAVE DECIDED NOT TO CONTINUE THE DISCUSSIONS AND NOW WANT THEIR GOVERNMENTS TO INTERVENE WITHIN OECD. IF NO AGREEMENT IS REACHED AT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 35772 02 OF 02 031158Z

NEXT OECD MEETING (FIRST WEEK OF DECEMBER), OUR CONTACT BELIEVES THAT EEC WILL TAKE NEW COUNTERMEASURES WHICH ARE STILL UNDER STUDY.
RUSH

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, CONSTRUCTION, SHIPS, DOCUMENTS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PARIS35772
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760447-1062
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761275/aaaacmtp.tel
Line Count: 157
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 15433
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAY 2004 by hattaycs>; APPROVED <25 MAY 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHIPBUILDING INDUSTRY IN WESTERN EUROPE AND JAPAN (C-ER-6-50564)
TAGS: EIND, EWWT, JA, FR, XT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006